

# COVENANTS FOR ASSESSMENTS

6.01 Personal Obligation of Assessments. Each Owner of a Lot by acceptance of a deed, is deemed, as a part of the purchase money consideration for such deed and conveyance, to covenant and agree to pay to the Declarant and/or the Association (or to an independent entity or agency which may be designated by the Declarant and/or the Association to receive such monies):

(a) Regular assessments or charges for maintenance, reserves required by Keller zoning ordinances, taxes and insurance on portions of the Properties and the Common Properties (including, without limitation, those matters described within Section 4.01 hereof);

(b) Special group assessments for capital improvements or unusual or emergency matters, such assessments to be fixed, established and collected from time to time as hereinafter provided;

(c) Special individual assessments levied against individual Owners to reimburse the Association for extra costs for maintenance and repairs caused by the willful or negligent acts of the individual Owner and not caused by ordinary wear and tear; and

(d) Individual assessments and fines levied against individual Owners for violations of rules and regulations pertaining to the Association and/or the Common Properties; such assessments to be fixed, established and collected from time to time as hereinafter provided. The regular special individual assessments, together with such late charges, interest and costs thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon each Lot against which each such assessment is made and shall also be the continuing lien upon each Lot against which each such assessment is made and shall also be the continuing personal obligation of the then-existing Owner of such Lot at the time which the assessment fell due.

6.02 Creation of Lien. Declarant and the Association hereby reserve a vendor's lien

against each Lot to secure the payment of any assessment which may be levied pursuant to the terms and provisions of Sections 6.05, 6.06, 9.11, and/or 12.06 hereof, and the expenses incurred in connection with the enforcement thereof, including, without limitation, interest at the maximum rate permitted by law, costs and reasonable attorney's fees. Such lien may be enforced by appropriate judicial proceedings and the amounts secured thereby shall be the obligation of and chargeable to Owner. Such lien shall be and is subordinate and inferior only to the following: (i) assessments, liens and charges in favor of the State of Texas and any political subdivision thereof for taxes past due and unpaid on the Lot; and (ii) amounts due under any first lien deed of trust duly recorded prior to the recordation of any assessment lien as provided in Section 6.03 of this Article VI.

### 6.03 Assessment Lien.

(a) All sums assessed but unpaid, including interest thereon at the maximum rate permitted by law from the date such assessments are due until said assessments are paid (subject to the provisions hereof limiting the interest contracted for, charged or received to the maximum permitted by applicable law) shall constitute a lien on the Lot superior to all other liens and encumbrances, except as provided in Section 6.02 of this Article VI. Declarant, or the Board or its duly appointed agent, may (but shall not be required to ) prepare a written notice setting forth the amount of such unpaid indebtedness, the name of Owner and a description of the Lot. Such notice shall be signed by Declarant or the Board or its duly appointed agent and may be recorded in the office of the County Clerk of Tarrant County, Texas. Such lien may be enforced by the foreclosure of it upon the lot by the Declarant or the Board or its dully appointed agent. In any such proceeding, the Owner shall be required to pay the costs, expenses and attorney's fees incurred in connection with filing the lien, and in the event of any foreclosure proceeding, all additional costs, expenses and attorney's fees incurred in connection with any such foreclosure proceeding. Declarant or the Board or its duly appointed agent shall have the power to bid on the Lot at foreclosure or other legal sale and to acquire and hold, lease, mortgage, convey or otherwise deal with the same. Any mortgagee holding a lien on the Lot may pay, but shall be required to pay, any unpaid assessments owing with respect to the Lot, but such payment shall not be deemed a waiver of Owner's default by either Declarant, the Board or such mortgagee.

(b) The amount of the assessments assessed against the Lot shall also be a personal obligation or indebtedness of the Owner thereof at the time the assessment is made. Suit to recover a money judgment for unpaid assessments shall be maintainable

without foreclosing or waiving the lien securing same.

(c) Owner, by acceptance of the deed to the Property, hereby expressly vests in Declarant, the Board or its agents the right and power to bring all actions against Owner personally for the collection of such charges as a debt, and to enforce the aforesaid liens by all methods available for the enforcement of such liens, No Owner may waive or otherwise escape liability for the assessments provided herein by non-use of the Common Properties or by abandonment of his Lot.

(d) If any assessment remains unpaid at the expiration of thirty (30) calendar days from and after the due date established by the Declarant and/or the Board, a late charge may be assessed, if permitted by applicable law, against the non-paying Owner for each month that any portion of an assessment remains unpaid. The late charge shall be in the amount of Twenty-Five and No/100 Dollars (\$25.00) for all Class A Members and twelve and 50/100 Dollars (\$12.50) for all Class B and Class C Members. A reasonable service charge in an amount established by the Board may be charged for each check that is returned because of insufficient funds. The amounts of late charges and service charges may be adjusted, from time to time, by the Board consistent with any changes in the amounts or regular or special assessments; provided, however, that the amount of any late charges assessed against Class B Members shall be fifty percent (50%) of the amount of the late charge assessed against Class A Members.

6.04 Purpose of Assessments. The assessments levied by the association shall be used exclusively for the purposes of (i) promoting the health, recreation, safety and welfare of the residents of the property; (ii) improving and maintaining any private roads, security gates, walkways, jogging and bicycle trails, lakes, swimming pools, recreational areas, or other properties, services and facilities directly related to the use and enjoyment of the Common Properties; (iii) the payment of taxes on the Common Properties and insurance (if any) in connection with the Common Properties and the repair, replacement and additions thereto, (iv) the payment for electricity for street lights and exterior lights and the repair, replacement and additions of various items within the Common Properties, (v) trash and garbage collection and security arrangements, as may be determined necessary and appropriate by the Association from time to time; (vi) paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and the management and supervision of, the Common Properties; (vii) carrying out the duties of the Board as set forth in Article IV hereof; (viii) carrying out the various matters set forth or envisioned herein or in any amendment or supplement

hereto; and (ix) for any matter or thing designated by the City of Keller in connection with any zoning, subdivision, platting, building or development requirements.

#### 6.05 Basis and Amount of Regular Maintenance Assessments.

(a) Until and unless otherwise determined by the Declarant and/or the Board, the maximum regular assessment shall be Thirty-Three Dollars (\$33.00) per Lot per month.

(b) The Declarant and/or the Board may establish the maximum annual assessment for each Lot, provided that the maximum annual assessment may not be increased more than thirty percent (30%) above the maximum annual assessment or the previous year unless otherwise approved by the Members of the Association as provided in Section 3.03 of Article III.

(c) After consideration of current maintenance costs and the future needs of the Association, the Declarant and/or the Board shall fix the actual annual assessment at an amount equal to or less than the then-existing maximum annual assessment.

(d) The Declarant and/or the Board may establish a time-price differential schedule for the payment of the regular assessment in which the lowest amount is the actual regular base assessment.

6.06 Special Assessments for Capital Improvements. In addition to the regular assessments authorized by Section 6.03 hereof, the Association may levy in any fiscal year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including any necessary fixtures and personal property related thereto; provided that any such assessment shall have the affirmative approval of the Members of the Association.

6.07 Uniform Rate of Annual and Special Assessments. Both regular and special capital assessments must be fixed at a uniform rate for all Lots. Each Lot owned by a Class A Member shall be charged with one hundred percent (100%) of the established per Lot assessment, while each Lot owned by a Class B Member shall be charged with fifty percent (50%) of the established per Lot assessment. Lots owned by Declarant shall not be charged with any portion of any assessment.

6.08 Date of Commencement of Assessments: Due Dates. The Declarant and/or the Board may prescribe from time to time that the regular base assessments are to be collected on an annual, semi-annual, quarter or monthly basis, and accordingly, the Declarant and/or the Board shall prescribe the appropriate due dates and, if applicable, the time-price differential rates and due dates. All regular base assessments shall be collected in advance. The due date or dates (if it is to be paid in installments) of any other assessments or special assessment under Sections 6.05 and 6.06 hereof, shall be fixed in the respective resolution authorizing such assessment.

6.09 Duties of the Board with Respect to Assessments.

(a) In the event of a revision to the amount or rate of the regular base assessment, or establishment of a special group or special individual assessment, the Declarant and/or the Board, shall fix the amount of the base assessment against each Lot, and the applicable due dates for each assessment, at least sixty (60) days in advance of such date or period, and the Board Shall, at that time, prepare a roster of the Lots and Assessments applicable thereto which shall be kept in the office of the Declarant and/or the Association.

(b) Written notice of the assessment shall thereupon be delivered or mailed to every Owner subject thereto.

(c) The Declarant and/or the Board shall upon demand at any time furnish to any Owner liable for said assessment, a certificate in writing signed by Declarant and/or an Officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of such certificate.

6.10 Rights of City of Keller. Unless otherwise approved by seventy-five percent (75%) of the outstanding votes within each voting class, the Association shall not by act or omission, seek to abandon its obligations as established by this Declaration. However, in the even that:

(a) The Association dissolves and the Common Properties shall not be either (i) dedicated to and accepted by an appropriate municipal corporation, public agency, authority or utility to be devoted to purposes as nearly as practicable the same as those to which such Common Properties were required to be devoted by the

Association, or (ii) conveyed to another organization or entity which assumes all obligations imposed hereunder upon the Association to maintain said Common Properties; or

(b) The Association, its successors or assigns, shall fail or refuse to adequately maintain the appearance and condition of the Common Properties which it is obligated to maintain hereunder; then, in either such event, the City of Keller, Texas, shall have the right, but not the obligation, to assume the duty of performing all such maintenance obligations of the Association at any time after such dissolution, upon giving written notice to the Owners, or at any time after the expiration of twenty-one (21) days after receipt by the Association, its successors or assigns, of written notice specifying in detail the nature and extent of the failure to maintain without such failure being remedied. Upon assuming such maintenance obligations, the City of Keller may collect, when the same becomes due, all assessments, annual or special, levied by the Association pursuant to the provisions hereof for the purposes of repairing, replacing, maintaining or caring for the Common Properties and drainage areas; and, if necessary, enforce the payment of delinquent assessments in the manner set forth herein. In the alternative, upon assuming such maintenance obligations, the City of Keller may levy an assessment upon each Lot on a pro rata basis for the cost of such maintenance, notwithstanding any other provisions contained in this Declaration, which assessment shall constitute a lien upon the Lot against which each assessment is made. During any period that the City of Keller assumes the obligation to maintain and care for the Common Properties, the Association shall have no obligation or authority with respect to such maintenance. The right and authority of the City of Keller to maintain the Common Properties shall cease and terminate when the Association, its successors or assigns, shall present to the City of Keller reasonable evidence of its willingness and ability to resume maintenance of the Common Properties. In the event the City of Keller assumes the duty of performing the maintenance obligations of the Association as provided herein, then the City of Keller, its agents, representatives and employees, shall have right of access, ingress and egress to and over the Common Properties for the purposes of maintaining, improving and preserving the same, and in no event, and under no circumstances, shall the City of Keller be liable to the Association or any Owner or their respective heirs, devisees, personal representatives, successors and assigns for negligent acts or construction (excluding, however, malfeasance and gross negligence) relating in any manner to maintaining, improving and preserving the Common Properties.

6.11 Exempt Property. The following property otherwise subject to this Declaration

shall be exempted from the assessments, charges and liens created herein:

(a) All properties dedicated and accepted by the local public authority and devoted to public use; and

(b) All Common Properties as defined in Article I hereof.

(c) Any and all areas which may be reserved by the Declarant on the recorded plat(s) of the Property.